

# Department of Ecology – Water Quality Financial Assistance Council Meeting

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**March 17, 2016**

*In Attendance: Brain Cochran, Don Gatchalian, Bruce Lund, Ed Thorpe, Dan Kaplan, Ruby Irving-Hewey, Jeremy Simmons, Randy Freeby, Shelly McMurry, Jeff Nejedly, Don Seeberger, Daniel Thompson, Kim Wagar, Ben Rau, Ty Meyer, Robin Zukoski, Blair Burroughs, Bruce Wilkens, Lisa Remlinger, David Carcia, Pat Brommer, David Dunn*

## **Welcome and Introductions, [Shelly McMurry](#)**

## **FMS Update, [Jeff Nejedly](#)**

- Rebecca Brown is the new Environmental Planner 3 who replaced Melanie Tyler who retired. This position is focused on onsite septic funded projects.
- Craft 3 was selected as the successful bidder for the RFP Ecology put out on behalf of the regional effort to get a lending institution to manage a regional local loan program. Rebecca is managing that contract. Craft 3 has 7-8 years of experience loaning in the Hood Canal area.

## **Legislative and Budget Update, [Kim Wagar](#)**

- Legislative update
  - The 30 year loan term for SRF passed out of the House and Senate and is waiting for the Governor to sign it.
  - Don Seeberger talked about Ecology working to increase the caps on the Wastewater Operator Certification fees. They are 30 years old and don't produce enough money to run the program.
  - The Public Works Assistance account is under threat of being swept. This would include the Water/Sewer Utility fees as well as the loan repayments and interest. There is a current bill that would close 50 existing contracts. There is a bill allowing the State to issue bonds for infrastructure. The state would issue lump sum bonds to help fund small and medium community projects. There is fear this will replace the Public Works assistance account. If you're interested in more information, talk to [Blair Burroughs](#) at the WA State Sewer and Water Districts
- Budget Update: Oil prices have dropped and the Model Toxics Control Account (MTCA) down and the account is oversubscribed. Future projections are down also. This puts more pressure on the State Building Construction Account (SBCA) and impacts proposed funding.
  - **HOUSE CAPITAL**-The Supplemental House Capital budget includes one new item that could affect Water Quality Financial Assistance:

- Centennial Clean Water Program (+\$3.6 M SBCA) - Provides \$3.6 M for additional Centennial Clean Water grants beyond the \$20 M that was provided in the 2015-17 Capital Budget
- **SENATE CAPITAL**-The Supplemental Senate Capital budget includes several items that could affect Water Quality Financial Assistance:
  - Centennial Clean Water Program (+\$2.5 M SBCA) Provides \$2.5 M for additional Centennial Clean Water grants beyond the \$20 M that was provided in the 2015-17 Capital Budget.
  - Centennial Clean Water Program (-\$1.4 M STCA) Reduces deobligated reappropriations to manage expenditures within the forecasted HST revenue.
  - Stormwater Financial Assistance (-\$39.1 M STCA & ELSA) Reduces appropriations for agreements not yet signed to manage expenditures within the forecasted HST revenue.
- **SENATE OPERATING**-The Supplemental Senate Operating budget includes one item that could affect Water Quality Financial Assistance:
  - Stormwater Capacity Grants (-\$2.9 M ELSA)-Funding is reduced for the stormwater capacity grants that are not under final agreement for the 2017 fiscal year in order to manage expenditures with the forecasted HST revenue.

## **Voluntary Stewardship, Shellfish and Dairy Loan Programs, [Karla Heinitz](#)**

The Washington State Conservation Commission has some new programs focused on protecting agricultural land, critical areas and shellfish habitat. Please see the Meeting Materials: Conservation Commission VSP Shellfish and Dairy.pdf to see more details about the program.

Ben Rau asked Karla to provide more data on the types of projects funded.

## **SRF and Centennial potential rule revisions WAC, [Daniel Thompson](#)**

Ecology is currently pursuing a statute change to allow for a 30 year term loan. If that passes, we will move forward with the rule revision to the SRF (173-98 WAC) and Centennial (173-95A WAC) rules. This will also allow for a more comprehensive update of the rule and evaluation of changes that have been brought up over the years by FAC and others. This discussion was to look at a preliminary list of potential changes. Ecology has not issued a CR101 yet and at this time is not under formal public comment period. Once we are, we will discuss the issues in more depth with the FAC.

## **Future Meeting topics**

- Washington Environmental Council presentation on modeling done with EPA focused on Forestry practices and protecting water quality. Talk to Lisa Remlinger.
- Ag BMP's Development Stakeholder process design. Talk to Ben Rau.

**Future FAC Meetings (Tentative):**

July 20, 2016

*\*To email staff, click on their name after the subject title.*